

APPENDIX D

CAPACITY DEVELOPMENT PROGRAM Program Implementation and Reporting Requirements

Section 1420(a) of the 1996 Amendments to the Safe Drinking Water Act (SDWA) mandates the Environmental Protection Agency (EPA) to award no more than 80 percent of the State Revolving Fund (SRF) allotment that a state is entitled to receive under Section 1452 of the Act, if the state is not implementing both of the programs below.

- Capacity Development Authority (New Systems): A state must document that it is requiring a demonstration of technical, managerial, and financial capacity by every new community water system (CWS) and every new non-transient non-community water system (NTNCWS) commencing operation after October 1, 1999 to comply with all drinking water regulations. Documentation could consist a list of new CWSs and NTNCWSs and the compliance status of all CWSs and NTNCWSs that commenced operation after October 1, 1999. Any changes to the State's legal authority or other means to ensure the technical, managerial, and financial capacity of new CWSs and NTNCWs must be reported to U.S. EPA Region 3 with explanation if the changes affect the State's implementation of the program. An Attorney General statement may be needed.
- Capacity Development Strategy (Existing Systems): A state must document that it is implementing its capacity development strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity to be able to provide safe and affordable drinking water to the consumers. The documentation for the existing systems Capacity Development Strategy should describe the current strategy implemented by the State and any plans for the future implementation. Documentation should also address the following:
 - methods or criteria used to identify and prioritize the existing systems most in need of improving capacity.
 - a summary of activities implemented by the state to assist existing systems in improving their capacity.
 - methods or criteria used by the State to measure improvements in systems' capacity.

A list to the Administrator of CWSs and NTNCWSs that have a history of significant noncompliance (SNC) and, to the extent possible, the reasons for noncompliance must be submitted to EPA by August 6, 2003. Failure to submit the list could result in the withholding of 20% of the state's DWSRF.

Another reporting requirement is a report to the Governor on the efficacy of the strategy and progress toward improving the capacity of water systems in the state. The Report is due by September 30, 2005. Failure to submit the report could result in the withholding of 20% of the state's DWSRF.

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